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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

THE WEATHER, THE FARMERS, AND THE NATION'S FOOD

By CHESTER C. DAVIS, *Administrator Agricultural Adjustment Act*

No recital of stark facts can picture the misery that comes to the individual farm families whose land is parched and unproductive in a drought season. In the Agricultural Adjustment Administration we must take account of those human problems. So we are mapping every possible means of help that we can give in cooperation with other Federal and State agencies.

The farmers in the drought area who have taken part in the adjustment programs for the basic crops have one protection for their incomes and buying power that was never before available. The adjustment programs, designed on the average to bring production under control and cut down surpluses, also give much needed help to cooperating farmers when drought or other calamities kill their crops.

While it is necessary to bring back the buying power of the export crops by restricting their production nationally, no man can make any money out of crop failure on his own farm. The way to make the national reduction is on a pro rata basis, farm by farm. That is the way we have made it under the adjustment programs. And now, when crop failure hits producers of these commodities, they have some assured income from their benefit payments, which make certain a man's buying power will not be rubbed out, even if his crop fails utterly. These payments are based on past average production. Hence their amount is not diminished by a crop failure. They give the cooperating farmer an assurance of some income no matter what happens.

The agricultural adjustment program, therefore, is the greatest farm crop income insurance operation ever undertaken anywhere in the world—a step toward the goal of greater security from the harmful economic effects on individual farm businesses of natural calamities.

But the people in the drought areas need more help than the adjustment payments to cooperating farmers can give. We intend to provide such help to the limit of our powers under the Agricultural Adjustment Act. Other units of the Government will use their powers to bring aid to the stricken regions.

Since the beginning of the A.A.A. program, people who represent certain elements in our economic life have been viewing the possibility of crop failures with alarm. They have taken a dolorous view since the attention of the public has been drawn to drought conditions.

After thorough study the experts of the Bureau of Agricultural Economics have concluded that the drought has not endangered the food supply of the United States. To illustrate, take the facts on the wheat supply. In a normal year, the people of the United States eat, or feed to animals, and save for seed for the next year's crop, 625,000,000 bushels of wheat.

That is what we need for next year—625,000,000 bushels. The drought has damaged winter wheat prospects. The crop was forecast at 460,000,000 bushels on May 1. But, say it declines still further

and only 400,000,000 bushels are harvested. In that event, we should have, with the carry-over of some 260,000,000 bushels, a total supply of 660,000,000 bushels. And that does not allow for the spring wheat crop. Even though it should be as short as the shortest spring wheat crop in recent years, it would be still about 120,000,000 bushels. So with a very short spring wheat crop, and an extraordinarily short winter wheat crop, our present big carry-over would give us ample supplies of wheat for the coming year. Do not take it that the economists predict a very short spring wheat crop, and a winter wheat crop of only 400,000,000 bushels. No one can accurately predict those harvests at present. The experts simply assumed the worst possible out-turn, in order to demonstrate that if worst comes to worst, the public is in no danger of going on short rations of domestic wheat.

The situation with respect to other food staples is the same as for wheat—the country does not face a food shortage.

If any of our people fail to be well nourished, it will be because our society has not provided the means for them to buy the food; it will not be because our farmers failed to produce the food.

We have piled up great surpluses of foodstuffs which we used to sell abroad. Formerly if a crop shortage developed, we could take that part of a crop which would have been exported and turn it to domestic uses. For instance, that happened with wheat in 1925. The crop was short—less than 700,000,000 bushels. We had been producing 800,000,000 bushels and exporting around 200,000,000 bushels. So when our crop fell to 700,000,000 bushels, we simply cut down our exports to less than 100,000,000 bushels. We dipped into normal export supplies to feed our own people.

But if the rest of the people of the Nation say to the farm people: "We plan to continue with tariff and other policies that will bar you permanently out of the world market", then the farmers will have to bring their production down to the domestic level. In the Agricultural Adjustment Administration and the Department of Agriculture, we are going to work to hold the farmer's share of any foreign market that is open to this Nation. But if our farmers are forced back to the home market only, we shall try to ameliorate their lot by the use of the domestic allotment plan, to avert price-breaking surpluses and assure farmers a fair income. The Nation should be assured of a heavy reserve supply of food to protect its people against any possible shortage in such times as this drought year.

That raises questions of how to set up machinery that will keep the reserves on hand, but hold them in such a way that they will not bear down too heavily on the price of crops in normal years. Maybe we have hit upon part of the solution in the idea of lending on corn stored on farms as is now being done by the Agricultural Adjustment Administration and the Commodity Credit Corporation. Perhaps we shall have to use powers granted to the Government under the Agricultural Adjustment Act to remove crop surpluses for storage. Perhaps other devices and powers will be necessary. We are thinking of these matters now, and preparing to make provisions for the future. However, it will be unnecessary to use any special action this year to avert a food shortage. The problem is to keep ample food reserves.

You can take it for granted that this will be done. The American people will have adequate supplies of food produced by their own farmers. I hope that these farmers will continue to have at least as good protection against the hazards of weather and other natural forces as the present domestic allotment plan affords them.